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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

In re patent application of

Robert Baseman et al.

Serial No. 09/731,772

Filed December 8, 2000

For VALUE-BASED FRAMEWORK FOR  
INVENTORY MANAGEMENT

Group Art Unit 3627

Examiner Gerald J. O'Conner

Confirmation No. 1174

Commissioner for Patents  
PO Box 1450  
Alexandria, Virginia 22313-1450

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**GROUP 3627**

APPELLANTS' REPLY BRIEF UNDER 37 C.F.R. §1.193(b)(1)

This Examiner's Answer, mailed in this case on November 19, 2003, the Examiner raised certain new points of argument. Accordingly, this Reply Brief is being filed in triplicate, pursuant to 37 C.F.R. §1.193(b)(1). In a separate paper filed concurrently herewith, an oral argument is requested.

This brief supplements certain items of the appeal brief, under the headings set forth below, in reply to arguments raised by the Examiner for the first time in the Examiner's Answer. They are presented below in following order as originally set forth in the Appeal Brief:

VIII. ARGUMENTS

- ☒ ARGUMENT VIIIC. REJECTIONS UNDER 35 U.S.C. §102
- ☒ ARGUMENT VIIID. REJECTIONS UNDER 35 U.S.C. §103

## ARGUMENT VIII.C. REJECTIONS UNDER 35 U.S.C. §102

Claims 10 to 12 stand rejected under 35 U.S.C. §102. Appellants note that such rejection should be viewed, based on the language of the Examiner's Answer, as contingent on the rejection of Claims 1–9 under 35 U.S.C. § 103(a) and should not be sustained if the rejection of Claims 1–9 is not sustained. *See* Examiner's Answer at 4 (as quoted in the following paragraph).

As discussed below, the treatment of Claims 1–9 in the Examiner's Answer relies heavily on a general-purpose dictionary to support the contention that an equivalence has been known in the art between financial asset portfolio management and inventory management. With regard to Claims 10–12, however, the Examiner's Answer goes even further and declares that such an equivalence “has been deemed” to exist without explaining who has done the deeming or why. The Examiner's Answer accomplishes this by conflating all distinctions between inventory management and financial asset portfolio management through the use of a made-to-order term not found in the prior art, “portfolio/inventory of assets”:

“Note that, in making this rejection, the nature of the particular portfolio/inventory of assets being evaluated *has been deemed* merely an intended use of the claimed invention, hence, afforded little patentable weight.”

Examiner's Answer at page 4 (emphasis added). Thus, while the Examiner's Answer's discussion of Claims 1–9 leans heavily on definitions found in a general-purpose dictionary, the discussion of Claims 10–12 is supported by something even less substantial.

Apart from *deeming* Claims 10–12 to be obvious under 35 U.S.C. §102, the only support offered for rejection of those claims consists of references to various cases, only two of which were decided within the last 15 years and none of which is

particularly on point or helpful to the position for which they are cited.

One of the two recent cases cited to support rejection of Claims 10–12 is decidedly unhelpful to the argument made in the Examiner’s Answer, because it disavows the absolutist view for which it is cited as support. *See Hewlett-Packard Co. v. Bausch & Lomb, Inc.*, 15 U.S.P.Q.2d 1525, 1528 (Fed. Cir. 1990) (“[A]pparatus claims cover what a device *is*, not what a device *does*. An invention need not *operate* differently than the prior art to be patentable, but need only *be* different.”) (emphasis in the original). The other recent case cited to support rejection of Claims 10–12 addresses, at the cited passage, the completely irrelevant issue of whether the claim at issue therein should be held invalid under 35 U.S.C. §112 for lack of enablement. *See Northern Telecom v. Datapoint*, 15 U.S.P.Q.2d 1321, 1328-30 (Fed. Cir. 1990), *cert. denied* 498 U.S. 920 (1990). The only discussion in *Northern Telecom* of obviousness under 35 U.S.C. §102 consists of the court’s affirmance of a district court finding that the record lacked adequate proof that certain documents constituted prior publications, on the basis that “[t]he district court was unable to find that anyone could have had access to the documents by the exercise of reasonable diligence.” *Id.* at 1325.

Other cases cited to support rejection of Claims 10–12 are distinguishable from the present case because they relate to the patentability of various apparatuses over identical apparatuses intended for use in different processes. *See In re Casey*, 152 U.S.P.Q. 235 (C.C.P.A. 1967) (adhesive tape dispenser not patentable over structurally identical device for feeding sheet material to be perforated); *In re Otto*, 136 U.S.P.Q. 458, 459 (C.C.P.A. 1963) (“the claims are directed to a particular device and a method of making that device, not a method of curling hair wherein this particular device is used”); *Ex parte Masham*, 2 U.S.P.Q.2d 1647 (Bd. Pat. App. & Inter. 1987) (apparatus for mixing flowing developer material not patentable over structurally identical apparatus, also for mixing flowing developer material, in part

because “a recitation of intended use in a claim directed to a composition does not impose any limitations which differentiates the claimed composition from those which are known in the art”); *Ex parte Thibault*, 164 U.S.P.Q. 666, 667 (Bd. App. 1969) (“The purpose to which the apparatus [for making stable monomeric formaldehyde] is to be put and the numerous expressions relating the apparatus to contents thereof during an intended operation are of no significance in determining patentability of the apparatus claim.”).

Another case cited in support of rejection under 35 U.S.C. §102 does not specify which section of the Patent Act is being applied. *See In re Danly*, 263 F.2d 844, 847, 120 U.S.P.Q. 528, 531 (C.C.P.A. 1959) (after holding that a particular application’s claims should be read as inherently limited to uses in which alternating current passes through the apparatus in question, the court found the apparatus not to be distinguishable from prior art).

A final case, *In re Young*, 25 U.S.P.Q. 69 (C.C.P.A. 1935), is cited not as it was written but “as restated in *In re Otto*,” cited *supra*. *Otto*, however, does not restate *Young* but merely includes *Young* among a string of cases cited in support of a proposition specific to the facts of *Otto* (“This process is irrelevant as is the recitation involving the hair being wound around the core insofar as the determination of whether these particular claims should be allowed or rejected.” *Otto* at 529).

Presumably, *Otto* was invoked because *Young* was decided prior to the passage of the Patent Act.

## ARGUMENT VIII.D. REJECTIONS UNDER 35 U.S.C. §103

Claims 1 to 9 stand rejected under 35 U.S.C. §103(a). The Examiner's Answer seeks to support such rejection principally, as noted above, by relying on a general-purpose dictionary to establish that the terms "portfolio" and "inventory" are interchangeable, without inquiry into whether the terms are distinguished in any relevant art and without consideration of whether dictionary definitions adequately express how the words are used as terms of art. *See* Examiner's Answer at page 10 (citing *The American Heritage Dictionary of the English Language, Third Edition (1992)*). This reliance on a general-purpose dictionary as the principal authority for the assertion that the terms *portfolio* and *inventory* "would certainly be recognized as synonyms/equivalents by any person of ordinary skill in the art," Examiner's Answer at pages 11 and 12, serves almost as an admission that there is no other support — except, of course, for Appellants' own disclosure. One case cited in the Examiner's Answer makes it clear that "knowledge gleaned only from applicant's disclosure" has no place in the Examiner's evaluation under 35 U.S.C. § 103:

"Any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning, but so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made *and does not include knowledge gleaned only from applicant's disclosure*, such a reconstruction is proper." *In re McLaughlin*, 170 U.S.P.Q. 209, 211 (C.C.P.A. 1971) (emphasis added).

Having begun with the flawed and unfounded presumption that inventory management is not a distinct art from financial asset portfolio management, the Examiner's Answer then attempts to apply several irrelevant cases as authority supporting rejection of Claims 1–9 under 35 U.S.C. §103(a). *See In re Zletz*,

13 U.S.P.Q. 2d 1320, 1322 (Fed. Cir. 1989) (finding claims left standing after an adverse result in an interference proceeding to be invalid under 35 U.S.C. §102, without discussion of standards applicable to 35 U.S.C. § 103); *In re Gulack*, 217 U.S.P.Q. 401, 404 (Fed. Cir. 1983) (holding that there is no broad “printed matter rejection” under 35 U.S.C. §103 and that inquiry must be made as to the functional relationship between the printed matter and the substrate); *In re Venner*, 120 U.S.P.Q. 192, 193 (C.C.P.A. 1958) (In a case involving an apparatus for casting piston molds, the court held, without discussion of any section of the Patent Act, that although a new combination of old elements is patentable under certain circumstances, “it is not ‘invention’ to broadly provide a mechanical or automatic means to replace manual activity which has accomplished the same result.”); *Barrott v. Drake Casket Co.*, 127 U.S.P.Q. 69 (W.D. Mich. 1960) (regarding standards applicable to “combination patents” in connection with a reissued patent for an apparatus for moving caskets, without discussion of any section of the Patent Act).

Appellants do not dispute one point made in the Examiner’s Answer: The rationale to modify or combine prior art “may be reasoned from knowledge generally available to one of ordinary skill in the art, established scientific principles, or legal precedent established by prior case law.” Manual of Patent Examining Procedure, § 2144. The Examiner’s analysis of prior art in the present case, however, falls well short of meeting that standard.

### *Conclusion*

It is submitted that Appellants’ Brief filed on August 25, 2003, addressed all the relevant issues raised by the Examiner in his final rejection. The arguments put forth by the Examiner in his Answer as either anticipated by or unpatentable over the prior art, particularly where the “prior art” is Appellants’ own disclosure and the

Examiner's unsupported hypothesis of the equivalence of the terms *portfolio* and *inventory*.

In view of the foregoing reasons and for the reasons stated in the Appellants's Brief filed August 25, 2003, it is respectfully requested that this Board overrule the Examiner's rejections.

Please charge any fees and any deficiencies in fees and credit any overpayment of fees to Attorney's Deposit Account No. 50-0510.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "C. Lamont Whitham", is written over a horizontal line.

C. Lamont Whitham  
Reg. No. 22,424

Whitham, Curtis & Christofferson, P.C.  
11491 Sunset Hills Road, Suite 340  
Reston, VA 20190  
Tel. (703) 787-9400  
Fax. (703) 787-7557  
Customer No. 30743